

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF KENERGY)	
CORP. FOR REVIEW AND)	CASE NO. 2003-00165
APPROVAL OF EXISTING RATES)	

O R D E R

On May 17, 2004, Kenergy Corp. ("Kenergy") filed an application for rehearing of the Commission's April 22, 2004 Order which determined that Kenergy had a revenue sufficiency and approved certain rate reductions for five direct-serve industrial customers served under Schedule Nos. 32 and 34. Kenergy's application raises a number of issues and asserts that the Commission made a calculation error in determining Kenergy's revenue sufficiency. To avoid an immediate implementation of the approved rate reductions, which could be subject to revision upon rehearing, Kenergy requests that the reductions either be stayed or be made subject to refund.

Based on the application for rehearing and being otherwise sufficiently advised, the Commission finds that an Order addressing the merits of Kenergy's application for rehearing will be issued within the 20-day period provided for in KRS 278.400. However, recognizing Kenergy's allegation that a calculation error was made in determining its revenue sufficiency, and the fact that the Commission's initial review does indicate the existence of a calculation error, the Commission finds good cause to condition those new rates as interim rates to be charged subject to refund or surcharge, based on the outcome of this request for rehearing.

IT IS THEREFORE ORDERED that the Commission's April 17, 2004 Order is modified to the limited extent that the new rates approved for Schedule Nos. 32 and 34 shall be interim rates to be charged subject to refund or surcharge based on the final decision on rehearing.

Done at Frankfort, Kentucky, this 25th day of May, 2004.

By the Commission

ATTEST:


Executive Director